

LIFE  
LIBERTY  
THE PURSUIT  
OF HAPPINESS

CAIO  
INSTITUTE

“CATO HAS MANAGED THE DIFFICULT FEAT OF BECOMING BOTH A FOUNT OF TRUE-BLUE LIBERTARIAN IDEAS AND A REPUTABLE SOURCE OF INFORMATION EVEN FOR THOSE WHO DON’T SHARE ITS VIEWS. IT MAY BE THE MOST SUCCESSFUL THINK TANK IN WASHINGTON.”

—STEVE CHAPMAN  
COLUMNIST AND EDITORIAL WRITER,  
CHICAGO TRIBUNE

The Cato Institute takes its name from *Cato's Letters*, a collection of essays that inspired the leaders of the American Revolution. These essays—which aimed, as one put it, “to maintain and expose the glorious principles of liberty, and to expose the arts of those who would darken or destroy them”—were originally published under the pen name Cato—a nod to Cato the Younger, the Roman statesman who famously resisted the tyranny of Julius Caesar.

The authors of *Cato's Letters* paid tribute to this ancient Roman hero

because they believed that they were applying his vision of liberty to their own times. And that is exactly the mission of the Cato Institute—to take these timeless principles and apply them to the present. We are defending the same ideas that the Founders fought for—most fundamentally, the idea that individuals should rule their own lives rather than be ruled by oppressive, power-hungry governments.

As the Institute heads into its fifth decade, we continually return to this aspect of our mission: to defend the enduring principles of liberty in a modern age.



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*Robert A. Levy*

**ROBERT A. LEVY**

CHAIRMAN



PETER GOETTLER

PRESIDENT

## MESSAGE FROM THE PRESIDENT AND CHAIRMAN

For more than 40 years, the Cato Institute has stood for the proposition that ideas matter. Better policy outcomes can be obtained through persuasion and civil discourse. We've worked hard to earn our reputation for sound, fact-based research and analysis.

In these times of increasing rancor and partisan polarization, Cato's commitment to reasoned debate is needed more than ever. History shows us that the erosion of trust in society and the rise of demagoguery sow the seeds for illiberal ideologies and authoritarian leaders. Lack of confidence in our political institutions fuels the desire for government to impose uniformity and stability.

So, in 2018, we redoubled our commitment to presenting public policy research and analysis based on empirical facts and with an eye toward building cross-ideological coalitions that drive tangible change. Cato's libertarian values have always meant that we play a unique role in the left-right debate. We call things as we see them, and that credibility is the key to our success in influencing both policymakers and public opinion.

We have implemented new measures to ensure that our policy scholars are thinking about their long-term strategic impact. That's not a purely academic exercise: we are in the business of changing the world for the better. Every day we work not only to maintain but also to raise the high standards that have made Cato an exemplar of credible, probative, and nonpartisan ideas, analysis, and commentary.

Cato's Sponsors make our work possible, and we strive to make sure that their hard-earned dollars are spent in the most effective way possible. Our moral vision of global human freedom drives everything that we do, because the timeless principles of liberty are not self-fulfilling. That lesson must be learned anew by each generation.

Thank you for your support of our mission. We hope and believe that the activities and projects outlined in this report will shape America for many years to come.

Cato is working to carry forward the legacy that has made the Institute what it is today: our crucial mission to "secure the blessings of liberty to ourselves and our posterity."

# 2018 BY THE NUMBERS

## MULTIMEDIA METRICS

**376,688**

Facebook likes



**354,000+**

Twitter followers



**359,668**

Facebook followers



**14 MILLION+**

Visits to Cato websites

## STUDENT ENGAGEMENT

**1,530**

Approximate number of student visitors to Cato HQ across 72 groups



**102**

Interns



**37**

Fall Liberty Seminar participants



**67**

Bastiat Scholarship recipients

## EVENTS METRICS

**490,000+**

Watched live-streamed events

**10,500+**

Event attendees



**106**

Events

**16**

Capitol Hill briefing events

## ONLINE PRESENCE

**39,333**

Cato YouTube subscribers

**5.3 MILLION+**

Podcast downloads

**9 MILLION+**

Video downloads



## POLICY OUTPUT

**2,172**

Television and radio hits



**1,469**

Op-eds



**86**

Amicus briefs filed



**17**

Cato books and ebooks



**35**

Policy studies



**50**

Research Briefs in Economic Policy



# LESS BUST, MORE BOOM: THE ECONOMICS OF PROSPERITY

“ WHAT IS COMING OUT OF CERTAIN THINK TANKS SUCH AS THE CATO INSTITUTE IS CREATIVE AND CONTRIBUTES CENTRALLY TO THE RELEVANT DEBATES ABOUT THE REAL PROBLEMS AND OPPORTUNITIES IN AMERICAN SOCIETY. ”

— PROFESSOR ALAN CHARLES KORS  
UNIVERSITY OF PENNSYLVANIA

**E**conomic principles have always been at the heart of Cato’s vision for a free, prosperous, and peaceful society. Laws and regulations that stifle economic freedom are one of the main ways that the government hampers innovation and progress. And in recent years, the law with some of the most harmful reverberations across the economy has been Obamacare.

Cato’s Michael Cannon has been repeatedly hailed as one of Obamacare’s most relentless critics—and in 2018, he played an instrumental role in achiev-

ing a significant reform to the law. In May, the *Wall Street Journal* featured an op-ed by Cannon calling for an extension of short-term plans, which are exempt from Obamacare regulations. These plans are significantly cheaper and more flexible, allowing consumers to choose from a wider selection of providers and to purchase only the coverage they need. But in 2016, in an attempt to force short-term-plan users into Obamacare, the Obama administration set a three-month limit on these plans and banned the plans from offering renewal guarantees, which had previously guaranteed that sick

enrollees could keep paying the same premiums that they had paid while healthy.

Cannon urged a repeal of these rules, arguing that a longer term and renewal guarantees for short-term plans would increase coverage, slash prices, and protect the sick from losing coverage. In April, he gave detailed public comments on the Department of Health and Human Services' proposed rule, and in October the department followed his recommendations, extending the terms to 12 months and permitting renewal guarantees. As Cannon wrote, "At long last, the Trump administration has created a 'freedom option' for people suffering under Obamacare."

In 2018, Cato also published *Overcharged: Why Americans Pay Too Much for Health Care*, by David A. Hyman of Georgetown University and Charles Silver of the University of Texas, in which they explain how America's healthcare system, which replaces consumer choice with government control and third-party payment, is effectively designed to make healthcare as expensive as possible. The solution, as they show, is to treat healthcare like any other product—allowing consumers to pay directly for their own healthcare so that competition incentivizes healthcare providers to lower their prices and improve

their care. "As CEO of Whole Foods, which spent more than \$250 million on healthcare for our team members last year, I thought I knew how inefficient healthcare was," wrote John Mackey. "*Overcharged* opened my eyes to how truly dysfunctional America's healthcare system has become."

America's system of federalism is designed to discipline state governments, since people can freely move elsewhere when local laws infringe on liberty—including when tax burdens get too high. In 2018, Chris Edwards, Cato's director of tax policy studies, provided heartening evidence that the Founders' system of interstate competition still works in our modern age. Edwards researched trends in interstate migration and found that substantial numbers of Americans are moving from high-tax states to low-tax states.

Edwards predicted that this interstate tax competition will only intensify in the wake of the 2017 Tax Cuts and Jobs Act, which placed caps on state and local tax deductions. "In this new era of intensified tax competition, state policymakers should rethink their tax codes with an eye toward retaining and attracting residents," he advised. Edwards also released a new edition of the biennial *Fiscal Policy Report Card on America's Governors*, and Cato published the 2018 edition of *Freedom in the 50 States*, both important initiatives that keep tabs on how all 50 states and their leaders rank in terms of various economic and personal liberties.

Senior fellow Michael Tanner released his landmark new book, *The Inclusive Economy: How to Bring Wealth to America's Poor*, attracting praise from quarters not usually open to free-market, smaller-government solutions. As Ron Haskins of the Brookings Institution wrote, "I have a bookshelf full of treatises about the history and purposes of welfare programs, most written by prominent experts on the right and left. But the Tanner volume could be the most thorough, scholarly, and balanced in exploring the major explanations for poverty." By breaking outside of stale partisan dichotomies, Tanner seeks to explain how

“ OUR FOCUS IS ON LEGISLATION AND LITIGATION. BUT EVERY VICTORY WE WIN FOR LIBERTY IN LEGISLATURES OR IN THE COURTS WILL BE SHORT-LIVED WHEN THE POLITICAL WINDS CHANGE, UNLESS WE WIN THE PHILOSOPHICAL BATTLES WAGED BY CATO. DON'T EVER ABANDON THIS CRITICAL MISSION! ”

— TIM SANDEFUR

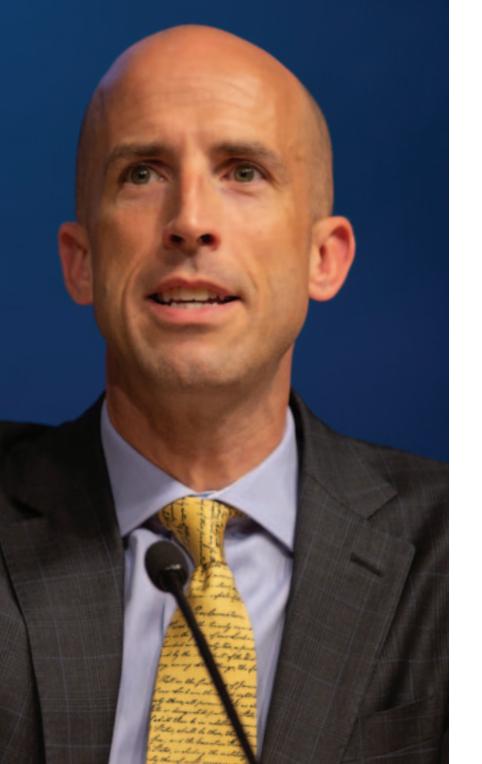
VICE PRESIDENT FOR LITIGATION,  
GOLDWATER INSTITUTE



ABOVE: **Josh Zumbrun**, national economics correspondent at the *Wall Street Journal*, holds up George Selgin's book, *Floored! How a Misguided Fed Experiment Deepened and Prolonged the Great Recession*, at the Monetary Conference.



TOP (left to right): **Sen. Phil Gramm (R-TX)**, former chairman of the Senate Banking Committee, delivers the luncheon address at Cato's 36th Annual Monetary Conference; Economists **Dino Falaschetti**, **George Selgin**, **Jim Dorn**, **Jeffrey A. Frankel**, **Lawrence H. White**, **Michael D. Bordo**, **Scott Sumner**, and **Wendy Lee Gramm**, and former Cato and BB&T CEO **John Allison**, listen to a presentation at Cato's 36th Annual Monetary Conference. MIDDLE: **Hester Peirce**, commissioner of the U.S. Securities and Exchange Commission, delivers the keynote address at Cato's Fintech Unbound summit on financial regulation. BOTTOM: **Rep. Jeb Hensarling (R-TX)** introduces Gramm at the Monetary Conference.



**TOP (left to right):** Cato's **Lydia Mashburn** moderates a panel at "Fintech Unbound: The Cato Summit on Financial Regulation," held in San Francisco; **Michael Cannon** moderates Cato's policy forum, "Reclassification of Risk in the Small-Group Health Insurance Market." **MIDDLE:** **George Selgin** discusses monetary economics with undergraduate and graduate students attending Cato's Alternative Money University, an academic workshop led by leading economics scholars on topics including monetary history, theory and practice of monetary policy, and the workings of unconventional monetary arrangements.

**BOTTOM:** Cato's **Michael Tanner** addresses an audience at the 2018 FreedomFest about the ways government contributes to poverty in the United States.

progressive ends of reducing poverty and inequality can be met by reducing barriers and getting government out of the way in a wide range of policy areas.

Along with Tanner, scholars across the Institute highlighted how free markets and innovation are in fact better equipped to solve issues of poverty and equality than government intervention is. Cato policy analyst Vanessa Brown Calder authored a study on paid parental leave, finding that the private market already does a much better job of supporting paid leave than proponents of federal intervention claim—and that government-supported leave could result in wage or benefit reductions, unemployment among women, and reduced professional opportunities for women. At the same time, Cato's director of polling, Emily Ekins, found that although a majority of Americans support a federal paid leave program when the costs are not mentioned, support slips when costs are considered. For example, over 60 percent opposed federal paid leave if it meant that employers would compensate for the cost of the federal program by cutting benefits or giving smaller raises.

Calder and Cato's Peter Van Doren also provided public comments to the Department of Housing and Urban Development, cautioning against implementing subsidy

programs in a misguided attempt to achieve fair housing. Instead, they demonstrated how zoning laws have contributed to racial segregation for decades, and they recommended exploring ways to reduce the zoning burden in cities to ensure truly fair housing opportunities for all.

At Cato's 36th Annual Monetary Conference, former Senate Banking Committee chairman Phil Gramm declared that "the quality of work that is being put out by Cato now is the highest it has ever been." The event attracted a diverse audience of high-profile entrepreneurs, company founders, distinguished economists, and members of the press from leading publications.

Cato's Center for Monetary and Financial Alternatives (CMFA) produced an impressive body of work in 2018, including 135 publications, articles, papers, and op-eds that make the case for a more free-market, rules-based monetary and financial system. Speakers at Fintech Unbound: The Cato Summit on Financial Regulation—including U.S. Securities and Exchange Commission (SEC) commissioner Hester Peirce—discussed the critical need to protect innovation and avoid stifling regulatory policies driven by excessive risk aversion.

The CMFA also provided a respected voice at key agencies. In 2018, the Center's managing director, Lydia Mashburn, was appointed to the SEC's Investor Advisory Committee. The committee advises the SEC on its regulatory priorities, the regulation of securities products, trading strategies, fee structures, and other matters. Meanwhile, the CMFA's former associate director of financial regulation studies, Thaya Brook Knight, was tapped by SEC commissioner Peirce to serve as counsel.

The Center for Educational Freedom continued to spread the word on the importance of choice and innovation in education. In addition to publishing four major studies and speaking to audiences across the country, the Center also updated the Public Schooling Battle Map, which shows the hundreds of zero-sum conflicts that occur as parents and politicians fight to control a one-size-fits-all education policy rather than embracing the diversity that freedom of choice produces.

“ I THINK ORGANIZATIONS LIKE CATO PLAY A CRUCIAL ROLE IN PROVIDING POLICY DIRECTION. ”

— HERMAN MASHABA  
MAYOR OF JOHANNESBURG



# TRADE FREE AND PROSPER

Trade policy provides a quintessential example of Cato's role in defending the classic principles of freedom in the modern era. In *The Wealth of Nations*, Adam Smith argued that "If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them." Since then, the academic consensus has been that free trade between nations makes everyone more prosperous by enabling specialization and making the market more efficient. In an era in which protectionist falsehoods threaten this timeless truth, Cato scholars

maintain that Smith's insights are as relevant now as they were more than 200 years ago.

To influence the climate of ideas, we are often focused on long-term change. But we also constantly seek ways in which we can influence the debate now and effect strategic, gradual changes. A model for this approach is Cato's Project on Jones Act Reform, which launched in 2018. The Jones Act is a 100-year-old law mandating that the sea transport of cargo between U.S. ports must be performed by vessels that are U.S.-built, U.S.-owned,

**“**CATO IS THE PREEMINENT FORERUNNER ADVANCING LIBERTY IN THE FACE OF AN OVERWHELMING GOVERNMENT JUGGERNAUT.**”**

—JIM CARUSO  
CEO, FLYING DOG BREWERY

U.S.-flagged, and U.S.-crewed.

The law is hopelessly outdated, and it is extraordinarily harmful to U.S. industry. As a result of the law, which forces American companies to purchase ships that are often eight times more expensive than those built in other countries, shipping oil from Texas to the Northeast costs three times more than importing oil from Africa.

Yet up to now, few people have known about the law and its costs to the American public. Cato's project is designed to strategically chip away at support for the Jones Act, highlighting the law's burdensome economic costs and laying the groundwork for its repeal or reform. In 2018, Cato published a major paper on the Jones Act; held a comprehensive conference on all of the law's major aspects; and published numerous videos, op-eds, blog posts, and newsletters on Jones Act reform. As the *Waterways Journal*, the news journal of record for shipping and maritime issues, put it, "The tip of the spear for those free-market Jones Act opponents is the Cato Institute."

In a similar effort to provide the road map for the future of free trade, Cato scholars Daniel J. Ikenson and Simon Lester partnered with Member of the European Parliament Daniel Hannan to release a white paper outlining what an ideal United States–United Kingdom free trade agreement would look like following Brexit. Brexit provides a unique opportunity to negotiate free trade

between the two countries. The paper was developed in collaboration with 11 think tanks in the two countries, following conferences both at Cato and in the UK. As Ikenson wrote in the *Times of London*, a bilateral free trade agreement between the two countries would "afford two of the world's most market-oriented economies the opportunity to pioneer the rules, and reap the benefits, of a genuinely liberalising 21st-century trade agreement."

Cato's Herbert A. Stiefel Center for Trade Policy Studies was cited widely on the effects of Trump's trade policy. A quote from the Center's director Dan Ikenson was a *New York Times* quotation of the day in July. "Trump is treating trade policy as though it were a real estate deal, where the goal is to beat your opponent, step on his throat and humiliate him," said Ikenson. The Center also added a distinguished expert to its ranks in January, when James Bacchus joined the Center as a senior fellow. Bacchus was a founding judge and twice the chairman—the chief judge—of the highest court of world trade, the appellate body of the World Trade Organization (WTO). A delegation of Cato's trade scholars participated in a 2018 WTO summit in addition to hosting their own conference in Geneva, where they offered suggestions about what might be done to modernize the WTO and encouraged a robust debate among participants.

Cato scholars use all means possible to influence the debate on policy issues—from WTO summits to social media. Last year, a Twitter quip from Cato policy analyst Scott Lincicome went viral. After the Trump administration imposed massive tariffs on multiple industries, Lincicome spotted a woman wearing a T-shirt that said "Tariff hikes will be GREAT." Lincicome made a mock-up of his own version of the shirt, which said "Tariffs not only impose immense economic costs but also fail to achieve their primary policy aims and foster political dysfunction along the way." Amused by his rebuttal, hundreds of other Twitter users began to spread his message as a hashtag: #TNOIIECBAFTATPPAAFPDATW. A fellow trade enthusiast then created real-life versions of Lincicome's T-shirts and sold over 700 on Amazon.

## The New York Times

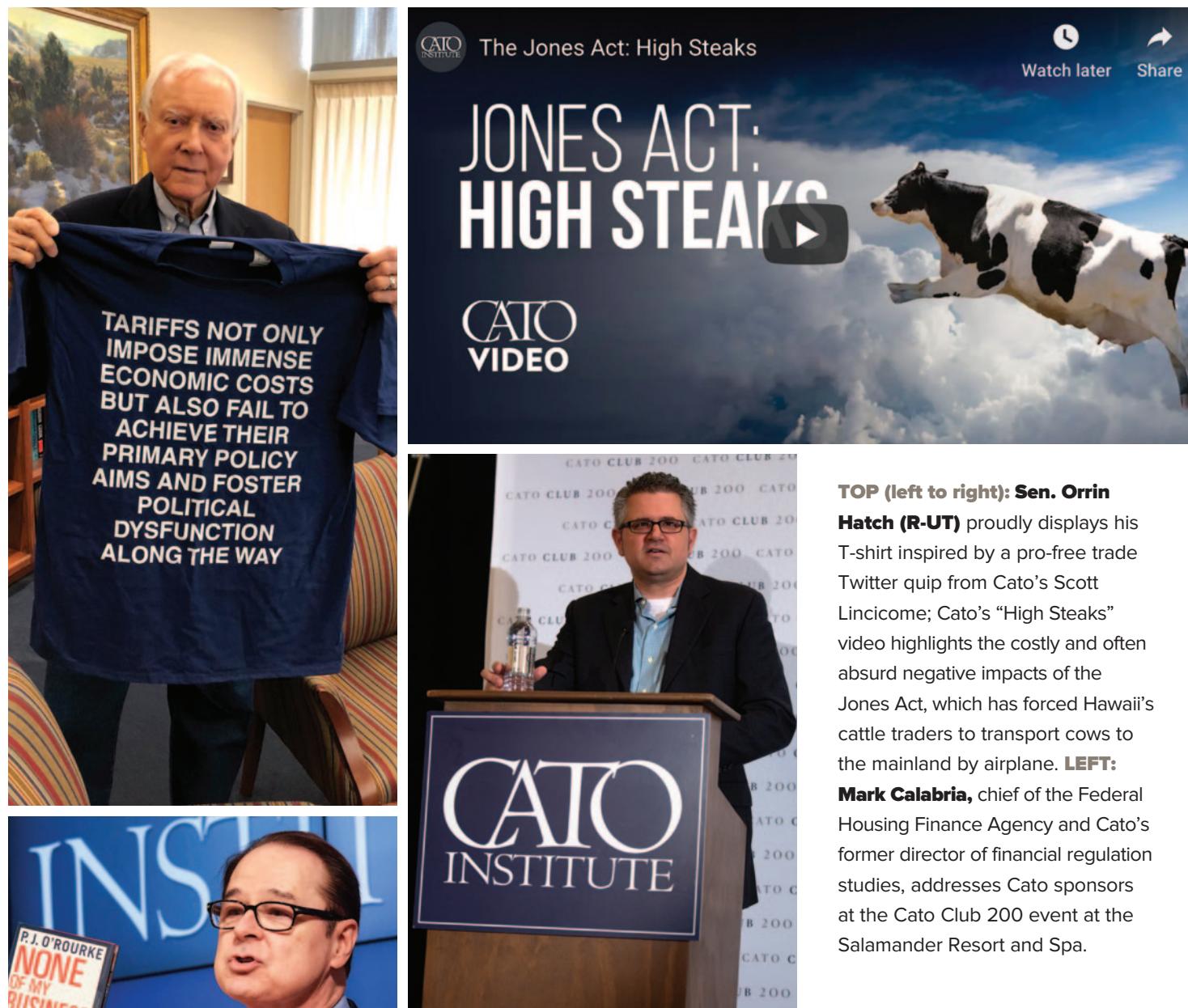
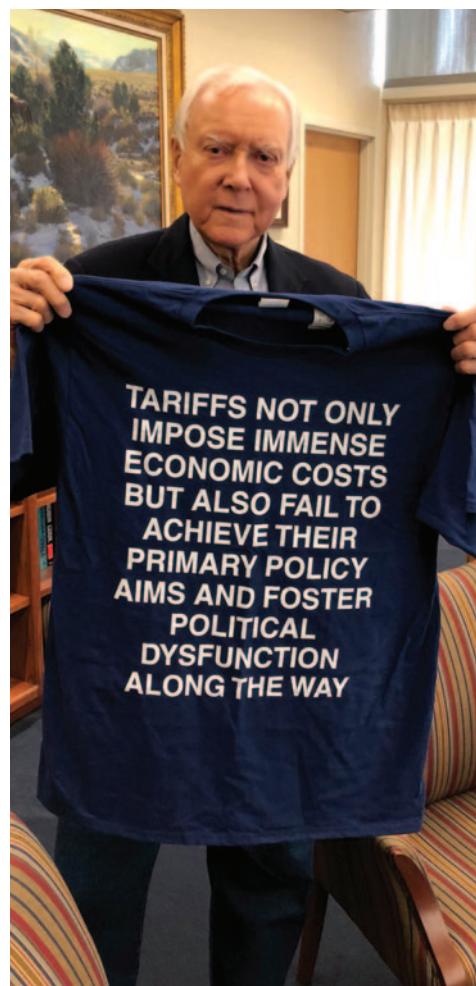
### Quotation of the Day: Trade War Rises, and Trump Plan Remains a Puzzle

July 6, 2018



"Trump is treating trade policy as though it were a real estate deal, where the goal is to beat your opponent, step on his throat and humiliate him."

DANIEL IKENSON, the director of trade policy studies at the libertarian Cato Institute.



LEFT: Cato's executive vice president **David Boaz** introduces Cato research fellow P. J. O'Rourke at the forum for O'Rourke's latest book, *None of My Business: P. J. Explains Money, Banking, Debt, Equity, Assets, Liabilities, and Why He's Not Rich and Neither Are You*.

TOP (left to right): Sen. Orrin Hatch (R-UT) proudly displays his T-shirt inspired by a pro-free trade Twitter quip from Cato's Scott Lincicome; Cato's "High Steaks" video highlights the costly and often absurd negative impacts of the Jones Act, which has forced Hawaii's cattle traders to transport cows to the mainland by airplane. LEFT: **Mark Calabria**, chief of the Federal Housing Finance Agency and Cato's former director of financial regulation studies, addresses Cato sponsors at the Cato Club 200 event at the Salamander Resort and Spa.

# JUSTICE SERVED

**A**t the end of 2018, Roger Pilon stepped down as the director of Cato's Robert A. Levy Center for Constitutional Studies, handing the reins over to senior fellow Ilya Shapiro, with whom he has worked closely for more than a decade. Pilon founded the Center early in 1989, shortly after joining Cato as a senior fellow in October 1988. Over the ensuing three decades, he has overseen the Center's growth from an upstart newcomer to a respected and influential voice in constitutional theory and law. He will continue to contribute to Cato's work as director emeritus and as the inaugural holder of Cato's B. Kenneth Simon Chair in Constitutional Studies, which was established in 1998.

Before joining Cato, Pilon held five senior posts in the Reagan administration: in the Office of Personnel Management, the State Department, and the Department of Justice. A constitutional scholar, he has written and lectured extensively on the theory of rights—the subject of his doctoral dissertation—defending the vision of the Founders as completed by the Civil War generation: liberty under constitutionally limited government. Under his direction, the Center has moved the idea of aggressive judicial engagement in the protection of liberty from the view of a small group of libertarians to the core of originalist jurisprudence.

Among many other contributions, Pilon has written the preface to what is by far Cato's most reprinted publication: our world-famous pocket Constitution and Declaration of Independence. To date, Cato has produced and distributed over six million copies of the nation's founding charters to high school classrooms, military bases, campus quads, national parks, airport bookstores, and more. Our goal, as Pilon writes, is "to encourage people everywhere to better understand and appreciate the principles of government set forth in America's founding documents."

Under Pilon's leadership, the Center for Constitutional Studies has developed an outstanding amicus brief program, raising issues and theories

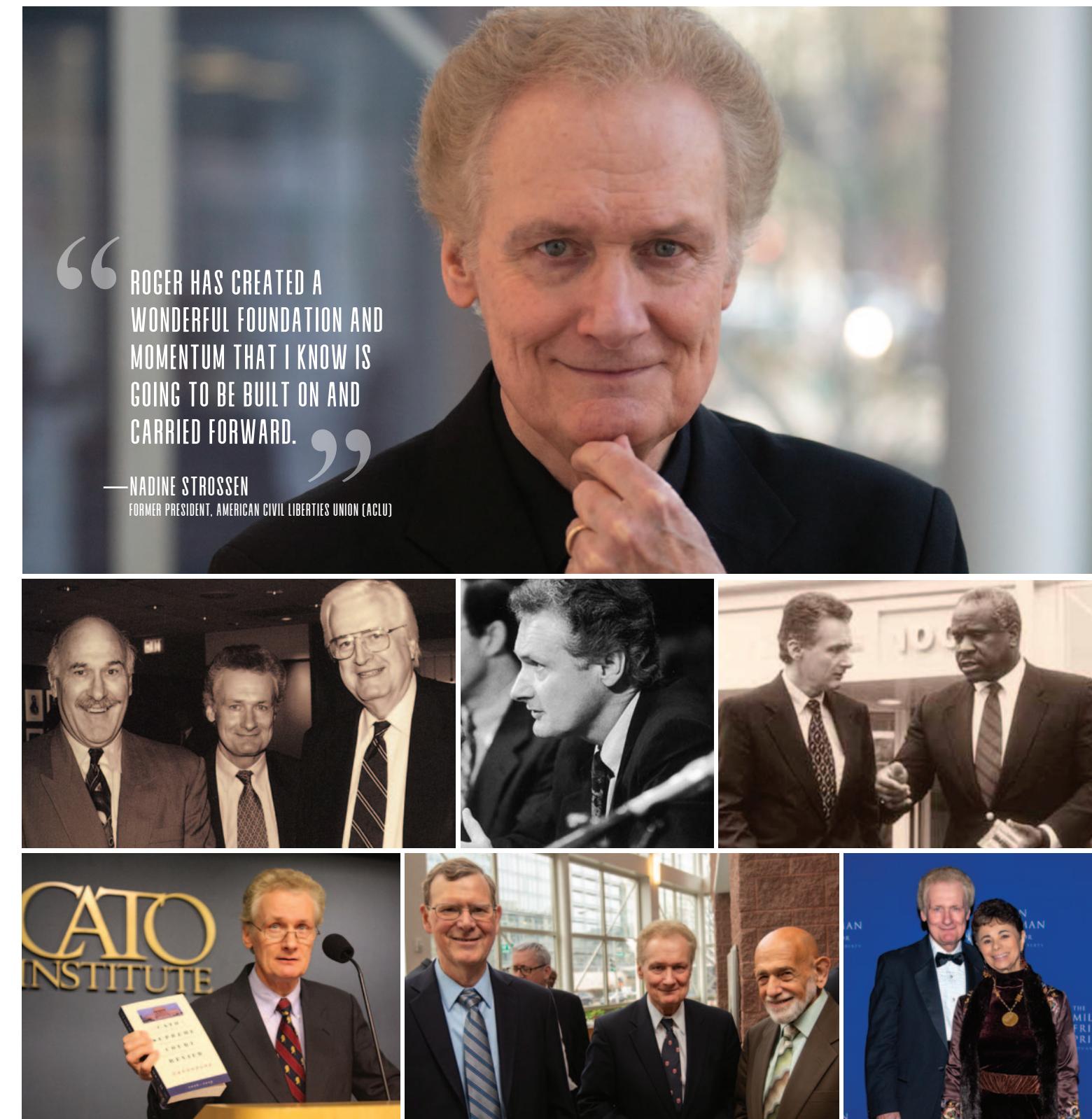
“THE COURT IS REACHING THE QUESTION AT THE HEART OF IT ALL: DID WE AUTHORIZE ALL THIS GOVERNMENT?” SAID ROGER PILON, AN ENTHUSIASTIC SUPPORTER OF THE COURT’S NEW FOCUS WHO RUNS THE CENTER FOR CONSTITUTIONAL STUDIES AT THE CATO INSTITUTE. ”

—NEW YORK TIMES, 1995

that have been cited in both majority and dissenting opinions. Analysis by the website *Empirical SCOTUS*, covering 2005 to 2015, identified Cato as the third-most prolific amicus filer, behind only the U.S. Chamber of Commerce and the National Association of Criminal Defense Lawyers. And it cited Ilya Shapiro among its “winningest amicus attorneys,” ranking the quality of our briefs the top overall for the 2017–18 Supreme Court term.

Pilon also launched one of Cato's most successful ongoing projects, the annual *Cato Supreme Court Review*. Released every year on Constitution Day, September 17, and featuring a wide range of legal scholars, the *Review* is the nation's first scholarly critique of the Court's major decisions from the just-concluded term plus a look at the term ahead. As *SCOTUSblog* founder and Supreme Court litigator Tom Goldstein has written, “Unquestionably, the definitive volume on the Supreme Court's term.”

The world is a better place for individual liberty, the rule of law, and the principles of the Constitution thanks to Pilon's three decades as founding director of the Center for Constitutional Studies. We look forward to his ongoing contributions through forums, op-eds, speeches, and a new book. With gratitude and respect, we wish Roger and his wife, Juliana—herself the author of seven books and counting—many happy years together as they embark on this new stage of life.



**TOP (left to right):** Roger with the ACLU's **Ira Glasser** (left) and **Rep. Henry Hyde (R-IL)** at Cato's conference on civil asset forfeiture reform, 1999; Testifying in the senate against judicial taxation, 1997; After lunch at Cato with Supreme Court Justice **Clarence Thomas**, 1993. **BOTTOM (left to right):** Roger presents the latest edition of the *Cato Supreme Court Review* on Constitution Day, 2009; Roger with former Cato CEO **John Allison** (left) and Cato chairman **Bob Levy**, 2019; With his lovely wife, **Juliana**, at the Milton Friedman Prize event, 2018.



# POINTING THE WAY: CATO DRIVES BIGGEST POLICY DEBATES IN THE NATION

“ WHEN I READ CATO’S TAKE ON A POLICY QUESTION, I CAN TRUST THAT IT IS INFORMED BY MORE THAN PARTISAN CONVENIENCE. ”

—EZRA KLEIN  
FOUNDER AND EDITOR-AT-LARGE,  
VOX.COM

**A**s part of the Institute’s efforts to undertake strategic campaigns that attract attention to and debate over key policy problems, vice president for criminal justice Clark Neily launched Cato’s campaign to end qualified immunity—a doctrine that shields police and other government officials almost entirely from being held liable for unjust and unlawful conduct. In April, *Washington Post* columnist George F. Will declared on *Meet the Press*, “There should be a national discussion—and it’s going to be one led by the Cato Institute—about qualified immuni-

ty for public officials, including policemen.”

In November, the U.S. Commission on Civil Rights released a landmark report, “Police Use of Force: An Examination of Modern Policing Practices.” The report repeatedly cited Cato Institute research, including both the testimony and the research of Cato’s Jonathan Blanks on issues such as the need for better data on police use of force and the ways in which excessive use of force hinders community relations.

One of the most pervasive ways that the state both violates our civil rights

and hampers the market is through technology, as our government routinely spies on its citizens, places onerous regulations on new inventions and business models, and threatens to break up “monopolies” through more regulations. In 2018, Matthew Feeney launched the Project on Emerging Technologies, which highlights how new technology can, if governed by the right policies, lead to people living freer, more prosperous, and more peaceful lives. In July Feeney testified before the Senate’s Committee on Homeland Security and Government Affairs on the unconstitutional practice of warrantless searches of electronic devices at the border. The Institute also hosted its annual surveillance conference, gathering a diverse array of experts from universities, think tanks, and the technology industry, including representatives from Facebook, Google, and Mozilla, to discuss issues of surveillance and privacy.

When it comes to transportation policy, despite the dawn of countless technological tools that promise to revolutionize travel—from self-driving cars to ride-sharing apps—state and local governments continue to routinely waste billions of dollars on antiquated, inefficient systems that do not benefit commuters. In 2018, the research of

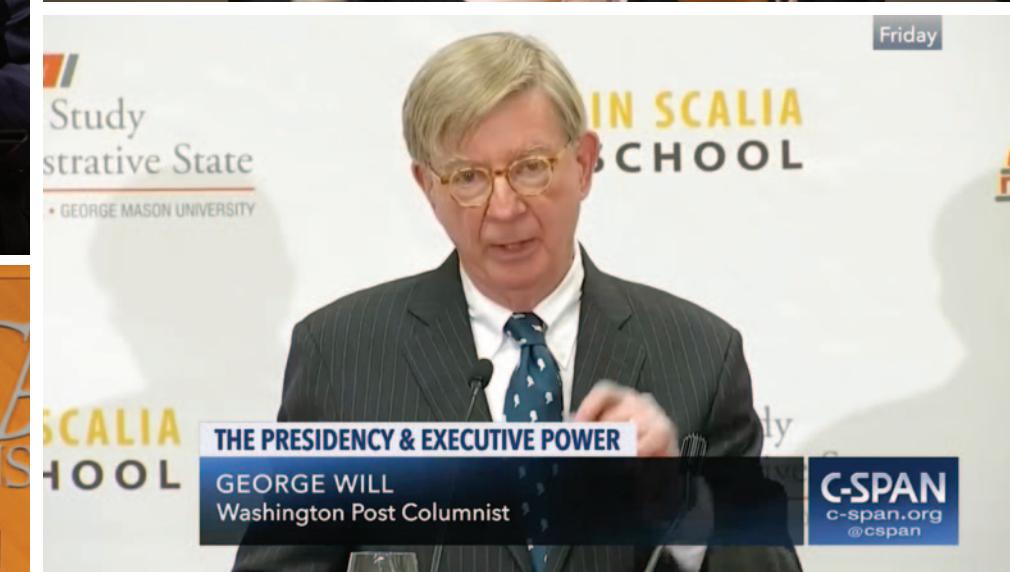
“**CATO IS ON TEAM LIBERTY. IT'S NOT ON TEAM REPUBLICAN, IT'S NOT ON TEAM DEMOCRAT.**”

—MEGAN MCARDLE  
COLUMNIST, WASHINGTON POST

“**CATO'S STRICT LIBERTARIAN LINE HAS BEEN ONE OF ITS ADVANTAGES OVER THE YEARS. IT HAS BEEN WILLING TO CRITICIZE—OR PRAISE— EITHER MAJOR PARTY BASED ON DEVIATIONS FROM OR ADHERENCE TO LIBERTARIAN, AND NOT PARTISAN, THINKING.**”

—TEVI TROY  
WASHINGTON POST

senior fellow Randal O’Toole was instrumental in helping kill a \$5 billion commuter rail boondoggle in Nashville. His book, *Romance of the Rails: Why the Passenger Trains We Love Are Not the Transportation We Need*, hit number one on Amazon’s rankings of railroad-related books. In the book, O’Toole describes the utter failure of Nashville’s existing commuter-rail system, built in 2006, and concludes that it would have been cheaper to buy every daily round-trip rider a new Toyota Prius every other year for the expected life of the train. And as a *Wall Street Journal* review of his book noted, “Some might dismiss the author, a senior fellow at the libertarian Cato Institute, for having a built-in grievance against a form of transit that so often requires government money. But Mr. O’Toole loves trains . . . He’s simply a reluctant realist among dreamers.”



**MIDDLE (left to right):** Nadine Strossen, former president of the American Civil Liberties Union, displays Cato’s pocket Constitution at the forum for her book, *HATE: Why We Should Resist it With Free Speech, Not Censorship*; Washington Post columnist **George Will** cited Clark Neily’s writings on judicial engagement on C-SPAN. **BOTTOM (left to right):** **Matthew Green**,

associate professor of computer science at Johns Hopkins, delivers a flash talk at Cato’s Surveillance Conference; Cato’s **Matthew Feeney** provides testimony to the Senate’s Committee on Homeland Security and Government Affairs on the unconstitutional practice of warrantless searches of electronic devices at the border.

# THE NEW WORLD: FREEDOM FOR ALL



“ IF YOU BELIEVE IN WHAT THE FOUNDERS BELIEVED, IF YOU BELIEVE IN INDIVIDUAL OPPORTUNITY—THE CHANCE, AS LINCOLN PUT IT, TO IMPROVE YOUR LOT IN LIFE, THE OPPORTUNITY TO GET AHEAD—OF COURSE YOU WOULD GRAVITATE TOWARD CATO. ”

— STEVE FORBES  
EDITOR IN CHIEF, *FORBES*

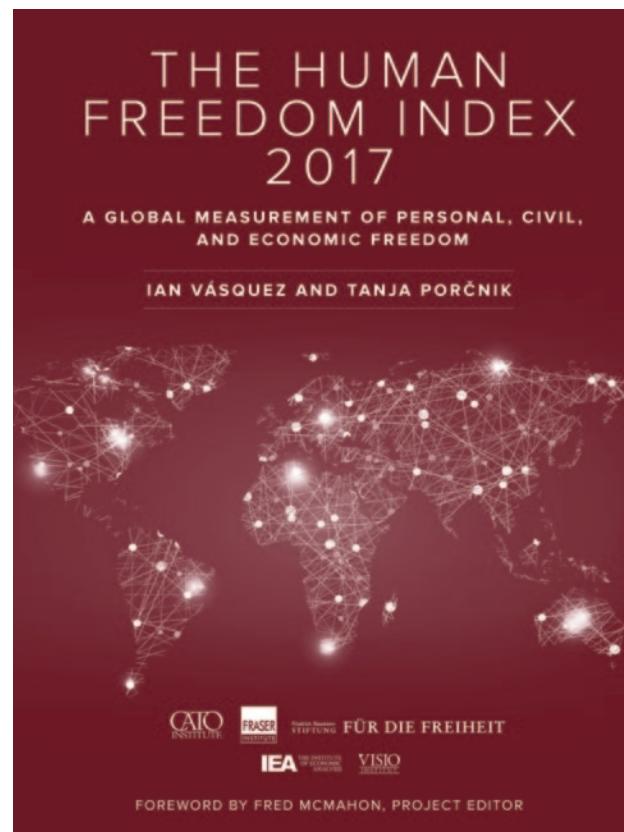
**F**A. Hayek once wrote that “The benefits of freedom are . . . not confined to the free,” arguing that “there can be no doubt that in history unfree majorities have benefited from the existence of free minorities and that today unfree societies benefit from what they obtain and learn from free societies.” People in unfree countries still benefit from the inventions, medical advances, and capital of their freer neighbors. This is why even small decreases in freedom in mostly free countries, such as the United States, are so worrisome—a decrease in

freedom here can affect people around the world. Freedom is always, therefore, a global concern—not merely a national one.

Cato’s Center for Global Liberty and Prosperity promotes the principles of liberty around the world, and in 2018, its work reached more people than ever before: after a website update and redesign, visits to HumanProgress.org, Cato’s project to highlight the massive increases in global prosperity and well-being thanks to free markets and innovation, increased 144 percent over the past year.

The *Richmond Times-Dispatch* dubbed HumanProgress.org “one of the world’s smartest—and wisest—websites” and recommended it to “anyone who needs a cheerful dose of reality.” Bill Gates, Steven Pinker (who serves as a board member for HumanProgress.org), and Jordan Peterson all tweeted information from HumanProgress.org. Meanwhile, visits to ElCato.org, our Spanish-language website, increased by nearly 30 percent.

The Institute also continued its important work in measuring freedom worldwide, with new editions of the *Human Freedom Index* (2017), copublished by the Cato Institute, the Fraser Institute, and the Friedrich Naumann Foundation for Freedom; and the *Economic Freedom of the World: 2017 Annual Report*, copublished by the Fraser Institute and the Cato Institute. The United States ranked 11th in the 2017 *Economic Freedom of the World* report—up a bit from its 2016 ranking of 13th, but still far below its 2000 ranking, when it stood in 4th place. In the *Human Freedom Index*, the United States ranked lower, at 17th. The PDF of the *Human Freedom Index* online received over 700,000 hits.



One of the greatest threats to global liberty is war—and despite repeated polling that finds that Americans think their government intervenes too much globally, presidents continue to engage in endless wars that lack authorization from Congress. But 2018 saw several victories on this front, as President Trump ordered a withdrawal from Syria and the Senate voted to end U.S. support for the Saudi war in Yemen. The example of Yemen, in particular, highlights how our scholars' arguments have changed the foreign policy debate in Washington.

Previously, the war in Yemen had enjoyed broad bipartisan support in Congress. But over the past few years, Cato scholars waged an energetic campaign to educate Congress, the media, and the general public on why the United States should no longer support the war in Yemen, producing dozens of blog posts, op-eds, podcasts, and media appearances. A 2018 Cato forum on the crisis was also cited in the *Washington Post*. Cato has long been a critic of the U.S.-Saudi relationship, and the Institute was among the earliest voices calling for a vote in Congress.

As Cato's Emma Ashford wrote in the *New York Times* back in 2015: "With the United States already bogged down in Iraq and Syria, there is little political appetite among Americans for wider intervention in Yemen . . . the United States should stop reflexively supporting the Saudi-led military campaign, and instead push for a political settlement, so that the Arab world is spared from another unmanageable conflict." Three years later, a majority of the Senate agreed and repudiated this once-popular war. The efforts of Cato's foreign policy team on this issue demonstrate how strategic campaigns can achieve long-term shifts in public opinion.

Cato's foreign policy scholars also earned accolades for making the case for a more restrained foreign policy in general. In the *Washington Post*, Daniel Drezner deemed Cato's Christopher Preble "that rarest of creatures inside the Beltway: a serious thinker who genuinely challenges conventional wisdom in foreign policy without scorn or ridicule."



"All the News That's Fit to Print"

# The New York Times

VOL. CLXVIII ... No. 58,208 © 2019 The New York Times Company NEW YORK, TUESDAY, JANUARY 15, 2019 \$3.00

**G.O.P. Leaders Condemn King Over Comment**

**Racism Costs an Iowan 2 Committee Seats**

This article by [Trip Gabriel](#), [Johnna Tillman](#) and [Nicholas Fandos](#).  
Honors Roll: House leaders removed Representative Steve King from the Judiciary and Agriculture committees on Tuesday night as party officials scrambled to appear so tough on racism and conservatism as to outflank Senator Mr. King made to The New York Times questioning why white supremacists were invited to his inauguration. The punishment came on a day when Mr. King was denounced by an array of Republicans, including, though not President Trump. The House majority leader, Kevin McCarthy, and the House speaker, Paul Ryan, both Mr. King had "another line of work" and Senator Mrs. King should be allowed to shoot guns. And the House Republicans, in an attempt to be provocative, voted to strip Mr. King of committee seats in the face of multiple Democratic resolutions to condemn the language of Mr. King introduced on Monday.

These measures would force Republicans to vote against the House Democratic majority's attempt to publicly reprimand one of the most conservative congressmen divided on which one to kick. Censuring, should Democrats pass it, would be a major setback to the House Republicans' efforts to renew debate of expansion and immigration.

Mr. King has been an ally of President Trump on the border wall and other issues, has a long history of anti-immigrant remarks and insults about immigrants, but has not drawn rebukes from Republicans. In the House, in November, top House Republicans like Senator Charles E. Grassley endorsed Mr. King's re-election, even after one House Republican official told him and denounced him as a white nationalist.

The broad condemnation of Mr. King continued on Page A17

## What's Really Happening at the Border?

By JOE WARD and ANJALI SINGHIV

President Trump has frequently called the situation at the southern border with Mexico a crisis and insists that building his long-promised wall will fix it. Here is what the data says about immigrants and the border.

### Illegal Immigration Is Near a 50-Year Low ...

| Year | Number of people trying to illegally cross the Mexican border |
|------|---|
| 1999 | 1.5 million   |
| 2001 | 1.0 million   |
| 2009 | 0.5 million   |
| 2017 | 0.5 million   |

**... But Families Are Coming in Record Numbers**

| Year | Number of people caught trying to illegally cross the Mexican border |
|------|--|
| 2016 | 20,000   |
| 2017 | 25,172   |
| 2018 | 21,401   |

**Most Drugs Are Seized at Ports of Entry, Not Along the Open Border**

| Location                     | Percentage |
|------------------------------|------------|
| At official border crossings | 30%        |
| Everywhere else              | 69%        |

The Drug Enforcement Administration says that heroin, cocaine and methamphetamine are primarily brought into the United States in vehicles entering through official border crossings.

## Studies Have Found No Link Between Immigration and Crime

| Group                   | Number of convictions in Texas in 2015 for every 100,000 residents |
|-------------------------|--|
| Native born             | 1.787  |
| Undocumented immigrants | 1.0  |
| Legal immigrants        | 0.611  |
| Sex crime               | 28.6   |
| Undocumented immigrants | 20.5   |
| Legal immigrants        | 1.8  |

It is difficult to assess claims that illegal immigration leads to more crime because few enforcement agencies release data that includes immigration status. Texas does report it, though. The Cato Institute, a libertarian research center, analyzed the data for 2015 and found that the rate of crime among undocumented immigrants was generally lower than among native-born Americans.

Continued on Page A17

## Trump Country Calls on Party Not to Give In

By SHERYL GAY STOLBERG

PARKERSBURG, W.Va. — On Day 2 of the partial government shutdown last week, a small band of federal workers, shivering in the cold, gathered in a tiny room to send what their organizer, Eric English, said was a message to Senate Republicans: Please, don't give in to end this shutdown. If it takes overruling the president, do that.

But here in the heart of Trump country, that message is decidedly not the one in Parkersburg, where the federal government is one of the two largest employers. President Trump, who has been calling Mr. Trump, who remains dug in on his demand for a border wall to build a "soother," that every worker he has laughed workers insist Mr. Capito said: "We need the wall."

Jessica Lemanter, 39, an account on the 10th floor of the federal office building, said over lunch at the Corner Cafe, a few blocks from the capitol, that she was being forced, but it happens.

Those conflicting sentiments help explain why the federal workers like Ms. Capito remain in lock step with Mr. Trump, even as the shutdown drags on. Every day, as Mr. Trump enters its fourth week and 800,000 federal workers — including Ms. Lemanter — remain without pay, the shutdown slipped by with no progress toward a resolution, and the president's political base in West Virginia and the surrounding Appalachians blame Mr. Trump and Republicans and do not support a border wall.

Ms. Lemanter, 39, was reading a different line in the polling: Support for the wall is down, and support is increasing among Republicans.

"I am concerned for my people," she said. "I am concerned for my neighbor who has a NASA facility in

Continued on Page A16

## At Inauguration, Spending Money at a Record Pace

By SHERYL GAY STOLBERG

WASHINGTON — Private donations to Donald J. Trump's inaugural committee went to town with \$100,000 just on makeup.

**New Data Shows Trump Costs Doubled Those of Predecessors**

This article is by Maggie Haberman, [Sheron Lederer](#) and [Ben Protess](#).

WASHINGTON — Private donations to Donald J. Trump's inaugural committee went to town with \$100,000 just on makeup for 20 days at an evening inaugural event. That was another record for the president, as dozens of contract staff members, in addition to their family members, attended the event.

There were \$100,000 for makeup for 20 days at an evening inaugural event. That was another record for the president, as dozens of contract staff members, in addition to their family members, attended the event.

The fall from the Trump International Hotel was more than \$1.5 million, and the inauguration, overseen by a close friend of Melania Trump's, that followed was \$1.2 million.

The details of the expenditures, gleaned from interviews and from the committee's financial reports to the New York Times and not previously made public, show that the committee spent more on nearly every aspect of the events surrounding the inauguration.

Mr. Trump's inauguration cost about \$100 million, roughly twice as much or more than was raised by Barack Obama for his first inauguration in 2009, and roughly 20 times that of Bill Clinton's first and second presidential inaugurations.

Mr. Trump's inauguration spending reflected his desire to make a grand entrance with a large crowd of supporters. And it was a success with Washington, D.C., people familiar with the inauguration.

Continued on Page A16

## TOP: Rep. Ro Khanna (D-CA) addresses Cato's policy forum on Saudi Arabia's war in Yemen; LEFT: The New York Times highlights Alex Nowrasteh's research on immigration in a front page story, "What's Really Happening at the Border?" ABOVE: Bill Gates shares HumanProgress.org's "Heroes of Progress" series with his 47.1 million followers.

Bill Gates

I love this series from [@HumanProgress](#). I wish I could have met Norman Borlaug, a Nobel Peace Prize laureate whose work in agriculture has greatly influenced my thinking.

Heroes of Progress, Pt. 1: Norman Borlaug  
Introducing the "Father of the Green Revolution," Norman Borlaug.  
[humanprogress.org](#)

9:29 AM - 26 Jan 2019



**TOP:** Cato's **David Bier** outlines opportunities for immigration reform at a Capitol Hill briefing. **MIDDLE:**

**Judge Sérgio Moro** delivers the keynote address at Cato's Milton Friedman Prize dinner in New York.

**BOTTOM:** Cato's **Tom Palmer** poses with a student at the Cato University event in San Diego, which brought together faculty and participants from across the country for an educational seminar on the history and principles of liberty.



Cato's president and CEO **Peter Goettler** applauds the **Ladies in White (Damas de Blanco)** after they received Cato's Milton Friedman Prize for Advancing Liberty. The women were honored with the award for their efforts in advocating for the release of Cuba's political prisoners. Every Sunday, the Ladies in White gather, or attempt to gather, for Mass at Saint Rita de Casia Church in Havana, followed by a procession down Fifth Avenue. They wear white to symbolize the peaceful nature of their protest, and each wears a photograph of a loved one who is in prison. For this the authorities have constantly harassed them and organized mob violence against them.

Meanwhile, Cato's immigration team pioneered free-market solutions to the world's immigration problems. In the United States, one of the most frequently cited concerns about immigrants is that they will abuse our country's already bloated welfare system. In September, Rep. Glenn Grothman (R-WI) introduced a bill that would allow immigrants into the country without giving them access to the welfare system. This legislation is modeled after an idea Cato scholars have long championed—that we should wall off the welfare system, not the country.

Cato's David Bier won the Best Activism Journalism award at the Southern California Journalism Awards for his May 2017 *Reason* magazine piece, "Why the Wall Won't Work: The Legal, Practical, Economic, and Moral Case against Trump's Border Barrier." The judges called his piece "a thorough, brick-by-brick explanation why the Trump wall won't work." Senior immigration policy analyst Alex Nowrasteh continued to produce original research on immigration and crime, studying criminal immigrants in Texas and finding that in 2015, illegal immigrants had a criminal conviction rate 50 percent below

that of native-born Americans.

In May, Cato honored some of the world's bravest heroes in the fight for global liberty—Cuba's Damas de Blanco, or Ladies in White—with the 2018 Milton Friedman Prize for Advancing Liberty. Every Sunday, these wives, sisters, and other female relatives of those who have been unjustly imprisoned by the Cuban regime gather in peaceful protest, calling for the release of all political prisoners and liberty for all Cubans. Despite being subjected to routine harassment, violence, and imprisonment, the Ladies continue their courageous stand for freedom.

Following the news that Raúl Castro had transferred his title as Cuban president to civilian Miguel Díaz-Canel in April, the *Wall Street Journal* declared that "A prize for the Ladies in White is bigger news than Díaz-Canel. . . . They deserve more media recognition in the U.S. than does the phony transfer of power to Mr. Díaz-Canel." At Cato's Milton Friedman Prize dinner in New York, around 400 people gathered to celebrate the Ladies' courage, with Brazil's celebrated federal judge Sérgio Moro serving as keynote speaker.

# THE FUTURE OF FREEDOM



It's crucial that libertarians tell people not only what we are against, but also what we're for: that we paint a picture of the free society we want to build, one full of prosperity and peace. To safeguard the timeless principles of liberty in our modern age, we must pass this vision on to the next generation. Libertarianism.org, Cato's project to promote the ideas of liberty to broader and younger audiences, received over 2.6 million visitors and published a variety of new books and video guides on topics ranging from understanding statistics to how to read Ayn Rand.

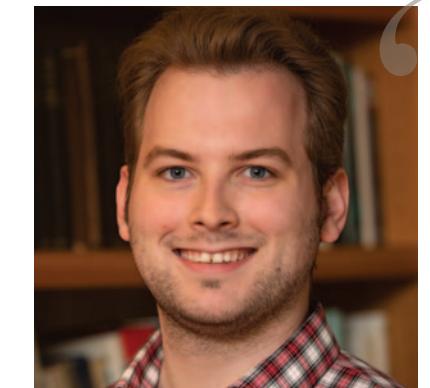
Cato's highly competitive internship program continued to cultivate the brightest young minds in the future of liberty. And in 2018, the Institute launched its new Research Associate program, which invests in professional development to expand the talent pipeline for the next generation of liberty-minded leaders. This program will build on Cato's existing strategy to identify and develop the future leaders, advocates, and supporters of liberty—ensuring that the vision of a free, open, civil society that we share with Cato the Younger, with *Cato's Letters* authors Thomas Gordon and John Trenchard, and with the American Founders will endure for many years to come.

## MEET THE NEXT GENERATION OF LIBERTARIAN LEADERS

“ Cato has become *the* reference for countless young Venezuelans who are in search of reliable and high-quality research on the ideas of liberty. ”

—ANDRÉS GUILARTE

UNIVERSIDAD CENTRAL DE VENEZUELA



“ Meeting and interacting with many of the great minds at the Cato Institute has been an honor from the get-go. Working at a prominent, influential think tank such as this one in the nation’s capital has always left me feeling like I contribute to a good cause every single day. Just being a part of the environment here is a constant highlight for me! ”

—ALEXANDER VESTY

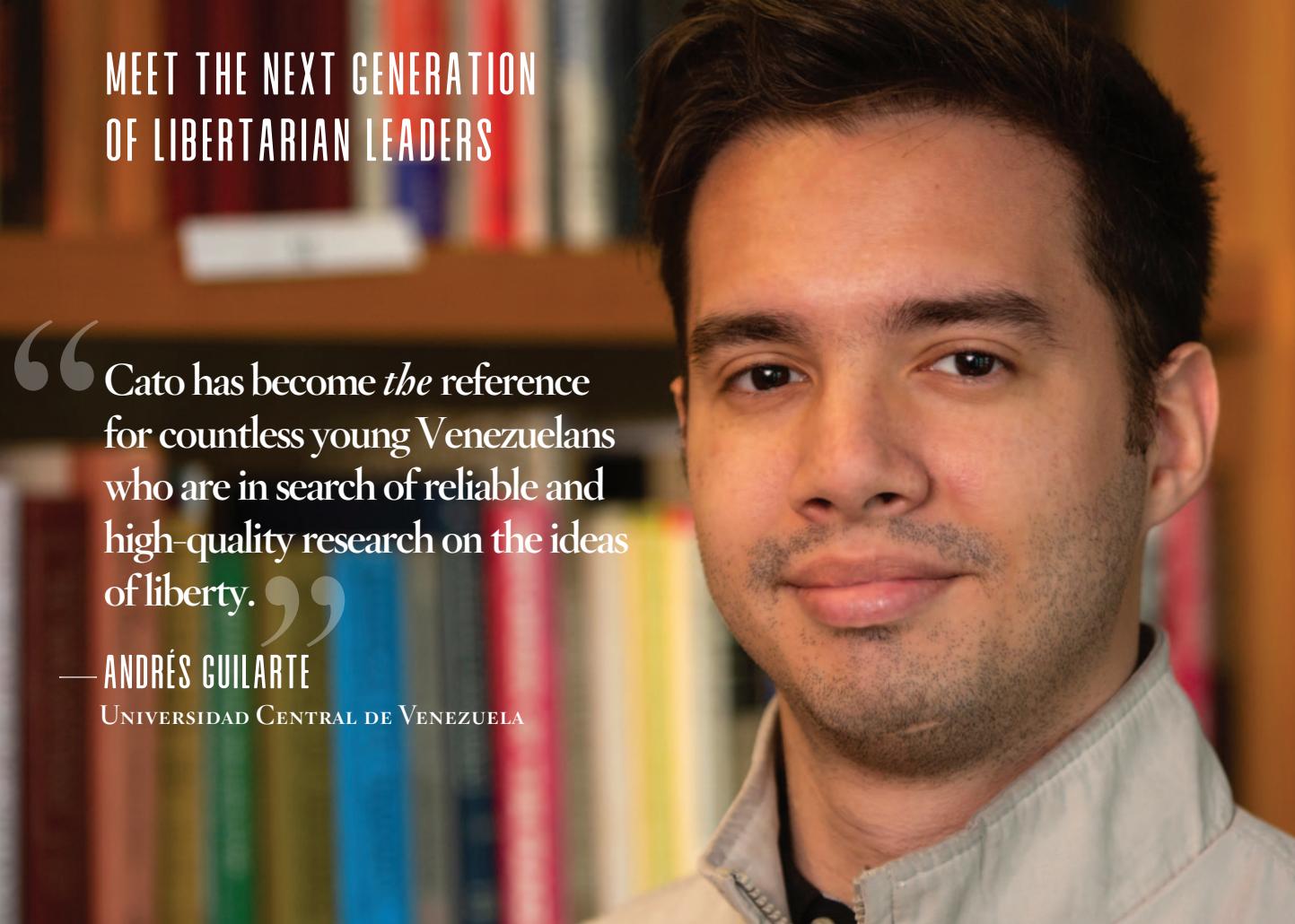
AMERICAN UNIVERSITY



“ Since I was 16 and I discovered the libertarian movement I knew that I was a libertarian. I want to expand my knowledge about my political inclinations and understand more about how we can introduce liberty and the pursuit of happiness in public policy. ”

—GABRIELA FORERO

UNIVERSIDAD DE LA SABANA



“ I start medical school at Indiana University School of Medicine in August 2019. I have a great interest in economics, specifically laissez-faire economics. That’s what inspired me to apply to the Cato intern program—I was interested to see how free markets could improve the healthcare industry. ”

—JONATHAN CLASS

CEDARVILLE UNIVERSITY



“ We share a special goal as Cato interns. We all want to understand libertarian theories and change the world for the better. ”

—IZABELA PATRIOTA

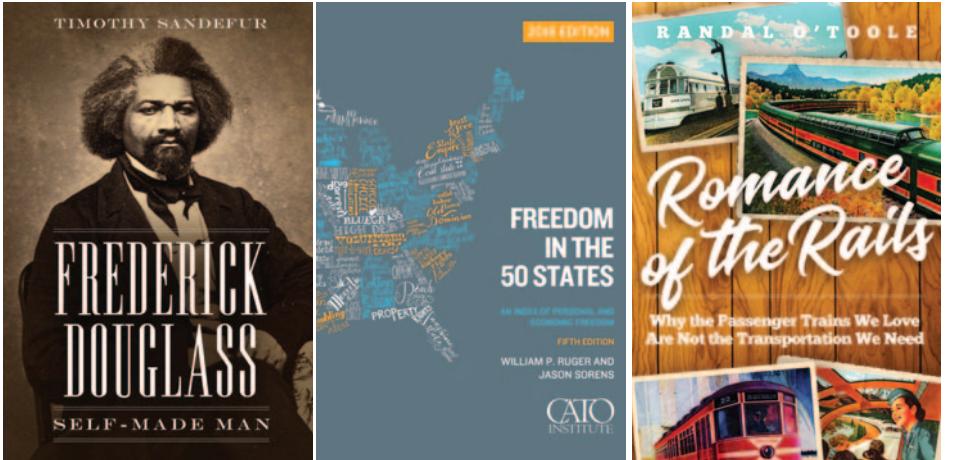
UNIVERSIDADE DE SÃO PAULO



“ This internship program has been a huge influence on my development as a young libertarian and as a young professional. The project I’m most proud of has been a database I’ve created. It encompasses all of Facebook’s policy changes that could have affected the way a user sees content on the platform. ”

—REGAN FERRELL

KENT STATE UNIVERSITY



## AYN RAND: AN INTRODUCTION

BY EAMONN BUTLER

Few 20th century intellectuals have been as influential—and controversial—as the novelist and philosopher Ayn Rand. Eamonn Butler illuminates Rand's importance, detailing her ideas, life story, and our ongoing cultural fascination with both.

## THE CATO SUPREME COURT REVIEW (2017–2018)

EDITED BY ILYA SHAPIRO

Leading legal scholars analyze the key cases of the Court's most recent term. Released annually at Cato's Constitution Day symposium, this is the first scholarly review published each year after the conclusion of the Court's term and the only one to approach cases from a Madisonian perspective.

## DEMOCRATIC VISTAS

BY WALT WHITMAN, EDITED BY ANTHONY COMEGNA

Throughout his life, Walt Whitman (1819–1892) was dazzled by the 19th century's seemingly endless cascade of political, economic, technological, and social revolutions. In *Democratic Vistas* (1871), Whitman offered his own vision of the world's evolving liberal Manifest Destiny, complete with castles in the air, exploration of the stars, and the conquest of death.

Edited and with new introductions by Anthony Comegna.

## FLOORED: HOW A MISGUIDED FED EXPERIMENT DEEPENED AND PROLONGED THE GREAT RECESSION

BY GEORGE SELGIN

In October 2008, as the U.S. economy plunged, the Federal Reserve began paying interest on banks' reserve balances. The resulting switch to a "floor system" of monetary control was to have far-reaching consequences—almost all of them regrettable. This book offers an unmatched account of our post-crisis monetary system's history and shortcomings.

## THE INCLUSIVE ECONOMY: HOW TO BRING WEALTH TO AMERICA'S POOR

BY MICHAEL D. TANNER

Smashing a stale and unproductive dichotomy, author Michael Tanner takes to task both the conservative and liberal approaches to fighting poverty.

Instead of blaming the poor or funneling more money into ineffective programs, Tanner outlines a program for how reforms in areas such as criminal justice, banking, education, and housing can get government out of the way and increase upward mobility.

## LESS THAN ZERO: THE CASE FOR A FALLING PRICE LEVEL IN A GROWING ECONOMY

BY GEORGE SELGIN

In this new edition of his highly praised 1997 book, George Selgin argues that monetary policy should not have the goal of price stability, but instead should aim to allow prices to move in line with movements in productivity (the so-called productivity norm).

Radical and contrarian, this hugely original book remains a classic.

## FREDERICK DOUGLASS: SELF-MADE MAN

BY TIMOTHY SANDEFUR

This biography takes a fresh look at the life and inspirational legacy of one of America's most passionate and dedicated thinkers, on the 200th anniversary of his birth into slavery in 1818. As detailed in this compact and highly

compelling book, Douglass espoused and lived the central idea of his work: we must be free to make ourselves the best people we can be.

through a documentary tour of the timeless and fundamental social conflict between individuals seeking liberty from external control and those seeking power over others. With medieval law codes; Early Modern corporate charters; narrative accounts from pirates, filibusters, and revolutionaries; and cultural products like popular literature and paintings, this volume introduces the classical liberal theory of history.

## MONETARY POLICY IN AN UNCERTAIN WORLD: TEN YEARS AFTER THE CRISIS

EDITED BY JAMES A. DORN

Ten years after the 2008 financial crisis, we are again facing the possibility of economic turmoil as the Federal Reserve and other central banks unwind their unconventional monetary policies. Contributors to this volume draw lessons from the decade of unconventional monetary policies and offer proposals for reducing monetary uncertainty, including adopting a rules-based monetary regime.

## MONOPOLY & KING MOB

EDITED BY ANTHONY COMEGNA

From the ancient origins of their craft, historians have used their work to defend established and powerful interests and regimes. *Monopoly & King Mob* provides readers with dozens of documents from the Early Modern and Modern periods to suggest that

the best history is that which accounts for change in the social hierarchy both "from above" and "from below."

## OVERCHARGED: WHY AMERICANS PAY TOO MUCH FOR HEALTH CARE

BY CHARLES SILVER AND DAVID A. HYMAN

Why is America's healthcare system so expensive? Why is the market so broken, and why are prices so wildly inflated? In this book, the authors deconstruct the causes of the disaster and propose real solutions to restore consumer choice and decrease reliance on government control and third-party payments.

## ROMANCE OF THE RAILS: WHY THE PASSENGER TRAINS WE LOVE ARE NOT THE TRANSPORTATION WE NEED

BY RANDAL O'TOOLE

The culmination of Randal O'Toole's lifetime of research and experience as an enthusiast of the rails and as a transportation expert, this book explores both why Americans are fascinated by rail travel and why government support and subsidies for passenger rail are ill-advised and not worth the cost.

## SHORT TREATISE ON POLITICAL POWER

BY JOHN PONET, EDITED BY ANTHONY COMEGNA

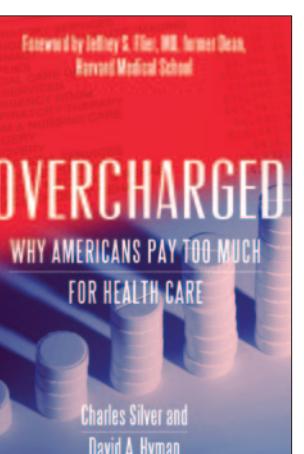
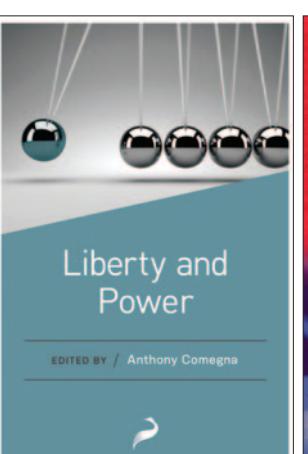
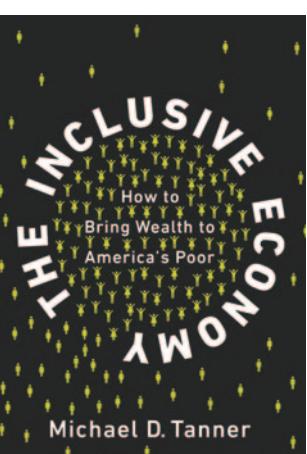
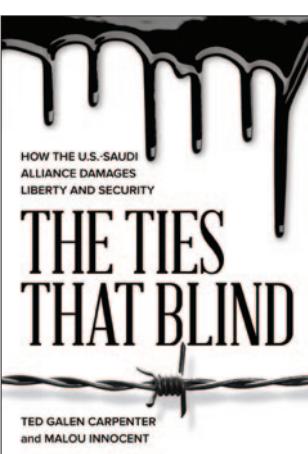
John Ponet (ca. 1514–1556) was the Anglican Bishop of Winchester at a

raucous and revolutionary time in English history. During his exile under the rule of Catholic Queen Mary I, Ponet wrote a *Short Treatise on Political Power* (1556), which argued that the people can and should punish—perhaps even execute—wicked monarchs. Ponet's tract anticipated great liberal thinkers for centuries to come and was widely read by the American colonists. Edited and with new introductions by Anthony Comegna.

## THE TIES THAT BLIND: HOW THE U.S.–SAUDI ALLIANCE DAMAGES LIBERTY AND SECURITY

BY TED GALEN CARPENTER AND MALOU INNOCENT

The murder of journalist Jamal Khashoggi and the humanitarian toll of the war in Yemen have cast a deep shadow over Washington's relationship with Saudi Arabia. Cato scholars have long criticized America's entangling alliance with this brutal and unreliable theocracy. Finally, Congress has moved to curtail a policy that is both practically and morally untenable. This book offers a reprint of chapters on Saudi Arabia from *Perilous Partners* (2015) together with a new introduction by the authors in light of recent developments.



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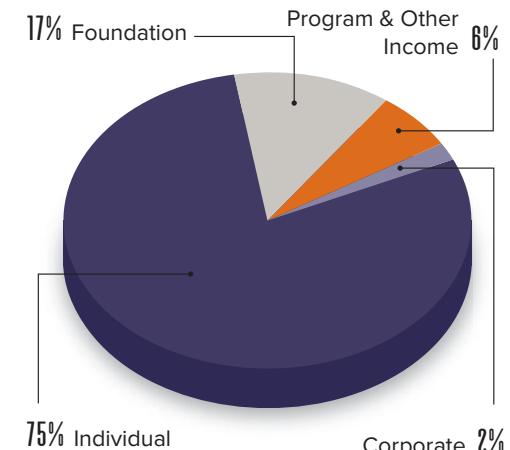
# FISCAL YEAR 2019 FINANCIAL RESULTS

Cato's unaudited financial information for fiscal year 2019 (April 1, 2018 to March 31, 2019) is presented below. Operating income was \$31,105,000, and net assets total \$81,422,000. Program expenses made up 81 percent of operating expenses. The Cato Institute accepts no government funding. Contributions from individuals, foundations, and corporations make possible our ability to drive important policy debates toward limited government, free markets, individual liberty, and peace.

## OPERATING REVENUE

|            |              |
|------------|--------------|
| INDIVIDUAL | \$23,278,000 |
| FOUNDATION | \$5,193,000  |
| CORPORATE  | \$661,000    |
| PROGRAM    | \$645,000    |
| OTHER      | \$1,328,000  |
| TOTAL      | \$31,105,000 |

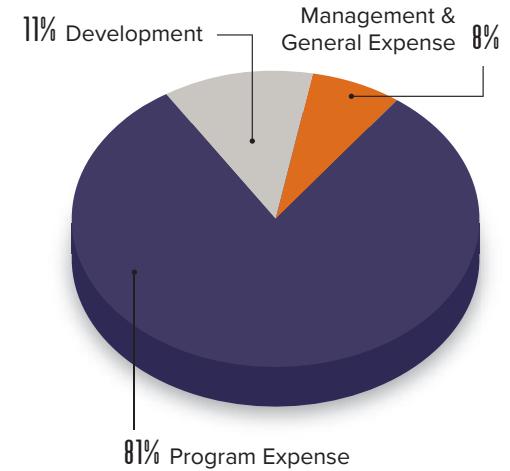
## OPERATING REVENUE



## OPERATING EXPENSES

|                      |              |
|----------------------|--------------|
| PROGRAM              | \$25,562,000 |
| MANAGEMENT & GENERAL | \$2,355,000  |
| DEVELOPMENT          | \$3,528,000  |
| TOTAL                | \$31,445,000 |

## OPERATING EXPENSES



## ASSETS

|                      |              |
|----------------------|--------------|
| CASH AND EQUIVALENTS | \$6,281,000  |
| INVESTMENTS          | \$38,659,000 |
| FIXED ASSETS         | \$32,624,000 |
| OTHER ASSETS         | \$6,812,000  |
| TOTAL                | \$84,376,000 |

## LIABILITIES AND NET ASSETS

|             |              |
|-------------|--------------|
| LIABILITIES | \$2,954,000  |
| NET ASSETS  | \$81,422,000 |
| TOTAL       | \$84,376,000 |

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